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Original Title Page

SOUTH AMERICA INDEPENDENT LINES ASSOCIATION
(SAILA)

A Conference Agreement



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South America Independent Lines Association
FMC Agreement No. _____

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ARTICLE 1. NAME OF THE AGREEMENT

This Agreement shall be known as the South America Independent Lines Association (SAILA), hereinafter called the "Agreement".

ARTICLE 2. PURPOSE

The purpose of this Agreement is to provide a forum among ocean common carriers serving the geographic scope as hereinafter defined to establish and maintain, through concerted action, tariffs showing rates, charges, rules, classifications, and practices between all points and ports on routes including through routes established by the member lines. The objectives of the Agreement are to establish and maintain competitive, non-destructive liner services in the trade for the purpose of enhancing and facilitating the free flow of commerce in the trade by permitting the members to act in concert as authorized in this Agreement.

ARTICLE 3. PARTIES TO THE AGREEMENT

INTEROCEAN LINES, INC.

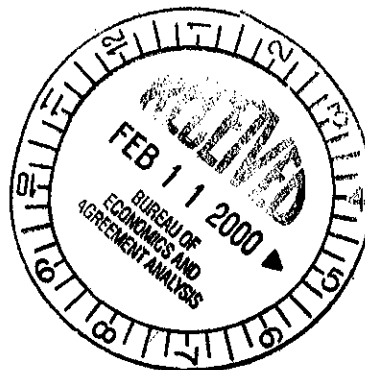
Participation in Colombia, Ecuador, Peru and Panama Trades, Excludes Chile
8805 NW 23rd Street
Miami, FL 33172

Nationality: Cayman Islands

TRINITY SHIPPING LINE, S.A.

Participation in Colombia, Ecuador, Peru and Panama Trades, Excludes Chile
5520 NW 72nd Avenue
Miami, Florida 33166

Nationality: Panama



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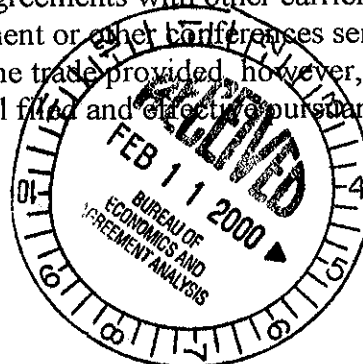
ARTICLE 4. GEOGRAPHIC SCOPE

The geographic scope of this Agreement shall be between U.S. East and Gulf Coast Ports and interior points via such ports on the one hand and ports located in Chile, Colombia, Ecuador, Peru and Panama including interior points on the other hand. This geographic scope is hereinafter referred to as "the member Trade".

ARTICLE 5. AUTHORITY

The members shall have the authority in the member trade to:

1. Discuss, fix and regulate transportation rates, (excluding household goods, personal effects, privately owned vehicles and unaccompanied baggage originating with U.S. Government agencies and moving under through bills of lading, "TGBL's", or similar shipping documents), cargo space accommodations and other conditions of service including port-to-port rates, alternate port service, through intermodal rates, open or proportional rates, time/volume rates, and service contracts, including open and closing of rates;
2. Discuss, fix and regulate all charges and conditions of service in connection with the receiving, handling, delivering, and storing of cargo, including but not limited to terminal and port charges, container detention and cargo demurrage, placement and receipt of containers for carriage of cargo and other ancillary services in connection with ocean transportation of cargo;
3. Discuss, fix and regulate payments (including currency adjustment) for services rendered or received, including credit rules, privileges and enforcement (including suspension and restoration of credit privileges thereof among the member lines), marine cargo insurance, and freight forwarder compensation.
4. Discuss and enter into agreements with other carriers serving the trade not members of this Agreement or other conferences serving the trade or foreign destinations of the trade provided, however, such agreements shall not be implemented until filed and effective pursuant to the terms of the Shipping Act, 1984.



5. Subject to filing and approval of the Federal Maritime Commission charter space to, from or among each other and parties to the West Coast of South America Discussion Agreement, FMC Agr. No. 203-011426 on vessels owned or operated by them or parties to the West Coast of South America Discussion Agreement in the Trade, and jointly establish sailing schedules, port rotation, limit sailing and jointly advertise each other's vessels or vessels owned or operated by the parties to the West Coast of South America Discussion Agreement. There are presently operating in the trade by the parties 21 vessels with a capacity ranging from 200 to 1200 TEUs. Any arrangements or agreements to the parties will not involve more than this capacity in total.

The Agreement shall submit to the FMC separate and sequentially numbered confidential minute records on a quarterly calendar year basis reporting all casual charter arrangements entered into between or among the Members pursuant hereto and specifying, for each such arrangement, (i) the names of the chartering and underlying carrier parties; (ii) the amount of space chartered expressed in twenty-foot equivalent container units (TEUs); (iii) the commencement and termination dates; and (iv) the port or ports from or to which it applies.

ARTICLE 6. OFFICIALS DELEGATION OF AUTHORITY

The signatories of this Agreement in authorized meetings shall constitute the plenary authority. The Agreement shall appoint an Executive Director who shall serve at the pleasure of the Agreement.

The Executive Director shall carry out all decisions of the Agreement, including but not limited to obtaining and maintaining office facilities and retaining a staff; maintaining records as required by law or the Agreement; filing reports as required by law or the Agreement; receiving and acting upon shippers' requests and complaints; filing of tariffs and amendments thereto; and such other duties as the Agreement requires in the efficient, lawful function of the Agreement.

The Agreement can act through committee of at least a simple majority of members entitled to vote, and the decision of such committee shall be deemed the decision of the Agreement, unless specifically limited by the Agreement. The Agreement meetings shall include meeting of the members, meetings of committees, or polls (oral, written, telephonic, or telegraphic) upon which the Agreement action is taken.

ARTICLE 7. MEMBERSHIP, WITHDRAWAL, READMISSION AND EXPULSION

- a) Any ocean common carrier serving the member trade is eligible to become be a full member of the Agreement.
- b) Each new member shall pay an admission fee of \$1,000. This fee is not refundable.
- c) Any member has the right to resign upon at least thirty (30) days written notice to the Executive Director. During this written notice period such member shall not be entitled to vote on any matter.
- d) Any former member shall be readmitted without penalty provided, however, that previous debts to the Agreement, if any, are fully paid and it meets the condition set forth in subparagraphs b) and e) hereof.
- e) Any member can be expelled for failure to maintain an ocean common carrier service in the member trade for a period of sixty (60) consecutive days, force majeure and strike periods excepted; or for failure to abide by the terms of the Agreement or decisions made by the Association pursuant to this Agreement. An explanation will be served upon that member with copy to the appropriate office of the Federal Maritime Commission detailing the basis for expulsion prior to its effective date.
- f) The filing of a notice of resignation does not, until the resignation becomes effective relieve a member of its obligations under this agreement. Computation of outstanding obligations of any resigning member shall include any amount reflecting continuing obligations for six months as determined by the pro-rata share of the budget subsequent to the effective date of the member's resignation irrespective of the date of accrual of the original obligation.
- g) Failure to pay legitimate monies due the organization administering the Agreement within forty-five (45) days of submitting invoice shall result in the forfeiture of voting privileges by the delinquent member until such invoices are made current. However, before this provision will be invoked, member will be given written formal notice of its delinquency and given ten (10) days grace period from the date such notice is submitted in which it can still vote. If, after that ten (10) days has expired, the account remains delinquent, voting privileges will be suspended and if account remains delinquent for an additional thirty (30) days, member will be expelled.

ARTICLE 8. VOTING PROCEDURES

- a) Each member shall be entitled to one vote; a joint venture or consortium of two or more ocean common carriers shall be considered as one member.
- b) A quorum at any meeting of the Association or its committees at which final Association action is authorized to be taken shall consist of a majority of the Members entitled to vote. In the absence of a quorum at such a meeting, no final action shall be taken. There shall be no quorum requirements at meetings at which no final Agreement action is authorized to be taken.
- c) Members entitled to vote shall vote for ("yes"), against ("no"), majority ("majority"), or shall elect to abstain ("abstain") from voting on any matter presented for decision by the Agreement.
- d) In the event of an equal number of votes for and against any matter, majority votes shall be counted as votes against that matter.
- e) Should any Member elect to abstain from voting on any matter, whether subject to majority or unanimous voting requirements, that matter shall be determined solely on the basis of the votes cast by the other Members.
- f) A matter shall be considered passed if a simple majority of the quorum vote "yes"; in all other respects the matter shall be considered to have failed; however, amendments to this Agreement shall require unanimity of the membership. In the event the Agreement should expand to more than three (3) members, amendments will require the unanimity of the membership less one.
- g) Proxies shall not be permitted.
- h) Voting by poll, via telecommunications or otherwise, requires a simple majority of all members entitled to vote for passage of a matter. The vote must be completed within two (2) working days (16 consecutive working hours) of informing the membership. All members must be informed and polled although a member may elect to abstain. Failure to vote or abstain within the two (2) working days shall be considered a "majority" vote on the matter.

ARTICLE 9. DURATION AND TERMINATION

The Agreement shall enter into force, and be implemented, as of the first day it becomes effective pursuant to the Shipping Act of 1984. This Agreement shall continue in effect indefinitely until cancelled by the parties. This Agreement shall be terminated by the unanimous vote less one of the Agreement members entitled to vote or by the resignation of all members less one.

ARTICLE 10. NEUTRAL BODY POLICING

Upon the written request of any member of the Agreement, the Executive Director shall engage an independent neutral body as agreed to by the Agreement to police fully the obligations of the Agreement and its members. In that event, the identity of the Neutral Body, description of its authority and procedures, as determined by the Agreement will be filed with the Federal Maritime Commission pursuant to the requirements of the Shipping Act, 1984, upon retention of the Neutral Body services.

ARTICLE 11. PROHIBITED ACTS

The Agreement shall not boycott or take any other action resulting in a refusal to deal, or engage in any predatory practice designed to eliminate the participation, or deny entry in a particular trade of a common carrier not a member of the Agreement, a group of common carriers, an ocean tramp, or a bulk carrier.

ARTICLE 12. CONSULTATION, SHIPPERS' REQUEST AND COMPLAINTS

Rules implementing requests for consultation and shippers requests or complaints (hereinafter collectively referred to as shipper requests) shall be published in the tariff(s). Shipper requests will be received by the Executive Director or any member line which will immediately transmit it to the Executive Director. Upon receipt by the Executive Director, the Executive Director shall place the shipper request on the next Agreement agenda for action by the Agreement. The Executive Director shall promptly inform the shipper of the disposition of its request upon Agreement consideration.

ARTICLE 13. INDEPENDENT ACTION

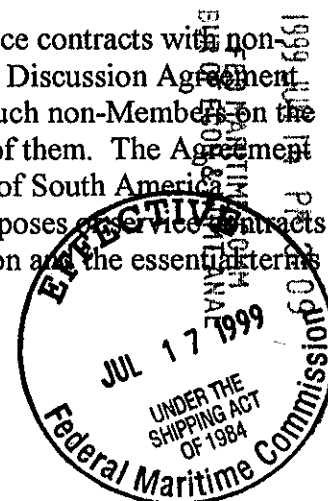
Each member has a right to take independent action on any rate or service item authorized by the Agreement and required to be filed in the Agreement tariffs and on any level of compensation paid to an ocean freight forwarder who is also a customs broker, effective upon four (4) calendar days notice to the Agreement Executive Director (counting as the first day the day following the date of notification), whereupon the Executive Director shall cause such tariff changes to be made effective on the date indicated by the member. The Executive Director shall immediately distribute all independent action requests to all members whereupon each other member has the option to adopt by written notice to the Executive Director the independent rate or service item on or after the effective date of such change.

ARTICLE 14. SERVICE CONTRACTS

a) The Agreement shall enter into and implement service contracts as defined in Section 3(21) of the Shipping Act of 1984. Any such service contract shall be a contract of the Agreement on behalf of any one or more of its members. Any Member may, separately and independently from the Association, enter into service contracts for cargo moving within the Trade and such service contracts may also include cargo moving outside the Trade, but only to the extent that the volume of such cargo will be applied toward the aggregate volume committed by the shipper; and the Members are authorized, but not required, to discuss the terms of such service contracts.

b) Members shall elect not to participate, or to limit their participation, in any Agreement service contract by appropriate written notification to the Executive Director prior to execution of any such contract specifying their election not to participate or the limitation on their participation. Any Agreement service contract shall specify those Members not participating, or if participating in a limited manner, the limitation of a Member's participation. A Member which has initially elected not to participate in an Agreement service contract or to limit its participation shall, prior to the service contract's expiration, elect to participate or remove its limitation as to participation by notifying the Conference Chairman in writing which shall include the effective date that its participation shall begin or the limitation is removed.

c) The Agreement may discuss the terms and conditions of service contracts with non-Members that are members of the West Coast of South America Discussion Agreement (FMC Agreement No. 203-011426) and reach agreement with such non-Members on the terms and conditions of service contracts to be offered by each of them. The Agreement may also agree with the non-Member parties of the West Coast of South America Discussion Agreement to aggregate the volume of cargo for purposes of service contracts separately published in the Agreement essential terms publication and the essential terms publication of non-Members of the Discussion Agreement.



ARTICLE 15. MEETINGS AND PROCEDURES

- a) Regular Agreement meetings shall be held as agreed upon by the Members or shall be called by the Executive Director. Special meetings shall be held upon twenty-four (24) hours notice by either the call of the Executive Director or upon the request of at least one (1) member. In all other respects the Agreement shall determine notice for other meetings, contents of agenda, and meeting procedures.
- b) The Members shall, from time to time, consistent with the terms of this Agreement, adopt and revise parliamentary procedure governing the conduct of meetings and other Agreement proceedings and determine the manner in which parliamentary issues are to be resolved.
- c) Meetings can be held in person, via telephone, or via written communication (See Article 6).

ARTICLE 16. EXPENSES AND OFFICE ARRANGEMENTS

Expenses of the Agreement shall be apportioned according to a formula as agreed to by the majority of the membership; and each member shall pay its share of the apportioned fees based on the Agreement's projected expenses, on a quarterly basis in advance.

ARTICLE 17. DEFINITIONS

Words defined in the Shipping Act of 1984 and the Federal Maritime Commission regulations promulgated pursuant to the Act have the same definition and meaning when used in this Agreement.

ARTICLE 18. FILING AGENT

The members shall appoint in writing the Executive Director of the Agreement, as their representative to file with the Federal Maritime Commission any amendments or republication of this Agreement. This Agreement and each amendment or a republication of the Agreement will be executed in one or more counterparts, and all such counterparts shall constitute one Agreement, notwithstanding that all parties are not signatory to the same counterpart.

ARTICLE 19. ADMINISTRATIVE REGULATIONS

The members will implement the Agreement through administrative regulations, resolutions, and decisions, all of which shall be binding on the members.

ARTICLE 20. CONFIDENTIALITY

Except as duly required by appropriate governmental authorities, compulsory process of law, or otherwise agreed, no Member shall divulge to any person other than representatives of Members, the Executive Director and staff members, and their own or the Conference's attorneys, the views or position of any Member on any matter considered by the Conference or any committee of the Conference or the nature or details of any Conference business whether or not legally privileged or otherwise confidential and it is expressly agreed that any conduct in conflict with this undertaking shall constitute a breach of the Agreement.

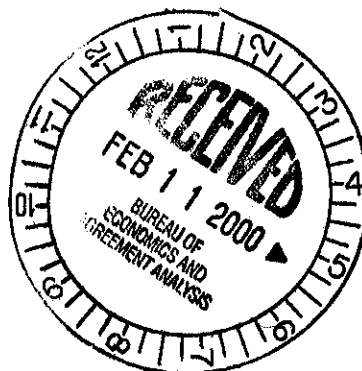
IN WITNESS WHEREOF, the parties listed below have caused the foregoing
Agreement to be executed on their behalf by their respective duly authorized agent on
this 9 day of FEBRUARY, 2000.

INTEROCEAN LINES, INC.

By: Philip Busby
Philip F. Busby, Executive Director

TRINITY SHIPPING LINE, S.A.

By: Philip Busby
Philip F. Busby, Executive Director



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